

SECRET

13 April 1973

MEMORANDUM

SUBJECT: Qadhafi of Libya

1. President Qadhafi is a political romantic whose emotional hostility toward Israel and messianic ambition to succeed the late President Nasir as leader of the Arab world pose a formidable challenge to US interests in the Middle East. An austere Moslem with a strong puritanical streak, he has managed to achieve a major voice in Arab affairs through sheer audacity and an astute distribution of funds from his massive oil revenues. Qadhafi's success is all the more remarkable in view of his modest political base--a country that is 90 per cent desert, with only two million people, three-fourths of whom are illiterate.

2. There is fine irony in the fact that Qadhafi is totally dependent on American petroleum expertise to generate the funds which finance his drive to reduce US influence throughout the Middle East, in Africa and Asia, and even in Latin America. American companies account for 95 per cent of Libya's oil production which yields over \$1.5 billion annually. Qadhafi has displayed considerable shrewdness in dealing with foreign oil companies. He has taken a hard line in negotiations in the last four years and has taken over the British Petroleum operation. He has been careful, however, to avoid pressing so hard as to jeopardize his vast revenues.

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4. One of Qadhafi's greatest strengths in the Arab world is the simplicity of his objectives. His ultimate goal is to resolve the Palestinian question in a fashion totally acceptable to the most extreme Arab nationalists, which in practice would mean the destruction of the state of Israel, at least as presently constituted. This uncompromising position has impelled him to oppose all efforts to promote a negotiated settlement of the Arab-Israeli conflict. Qadhafi sincerely believes that the Arabs would inevitably be the losers in any conceivable settlement under the circumstances that now prevail. He does not view the problem in a context of adjustment and accommodation that would lead eventually to Arab acceptance of the presence of Israel as a

legitimate and permanent state in the center of the Arab world. The problem as Qadhafi defines it is not an Arab-Israeli settlement, but rather a Palestinian solution that would restore to the hundreds of thousands of Palestinians their legitimate rights and homes in what is now the state of Israel. His conviction that only armed conflict can satisfactorily resolve the Palestinian question is not merely rhetorical.

5. Libya's foreign policy is geared entirely to advancing this strikingly simple and straightforward conception of Arab interests and destiny. The principal enemy, in Qadhafi's mind, is any state, regime, influence or policy that tends to increase the possibility of an Arab-Israeli accommodation. Thus, aside from the primary target of Israel itself and Israeli presence throughout the world, Qadhafi perceives the US as the most dangerous obstacle to the achievement of his goals because Washington alone, in his view, commands the power and influence to move events toward a negotiated settlement that would deprive the Arabs of their ultimate objective. He greatly fears that the US will eventually succeed in bringing the Egyptian and other Arab leaders to the point of accepting a fatal and fateful compromise with Israel. This fear underlies his determination to strike at US influence not only in the Middle East but throughout the world. Qadhafi's distrust of the USSR derives in part from his fundamentalist Islamic hostility toward Communist power and doctrine, but it also stems from his suspicion that the Soviets, like the Americans, favor an Arab-Israeli accommodation that would reduce the danger of great power involvement in renewed hostilities.

6. The third major object of Qadhafi's policy is to forestall any tendency on the part of other Arab governments to cooperate with the US in exploring prospects for a negotiated settlement. He is genuinely scornful of Arab leaders who do not share his single-minded dedication to the Palestinian

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11. The contrast between the worldly Sadat, groping for an escape from his seemingly insoluble dilemma, and the zealous Qadhafi, grimly determined to pursue his maximum goal without compromise, could not be more striking.

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12. Qadhafi's course over the next year ~~of~~ so will be heavily conditioned by developments in the union with Egypt. He now appears to be firmly in command of his government and the Revolutionary Command Council.

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13. The other major vulnerability in Qadhafi's position--a cutoff in oil revenues--appears to be more apparent than real. He is quite aware that this leverage can cut two ways. US oil operations in Libya return over \$300 million annually to the US.

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